



CITY OF CARLSBAD 2006-2007

BUDGET OVERVIEW

Our mission is to provide top quality service to our citizens and customers in a manner that enhances the quality of life for all who live, work and play in Carlsbad.

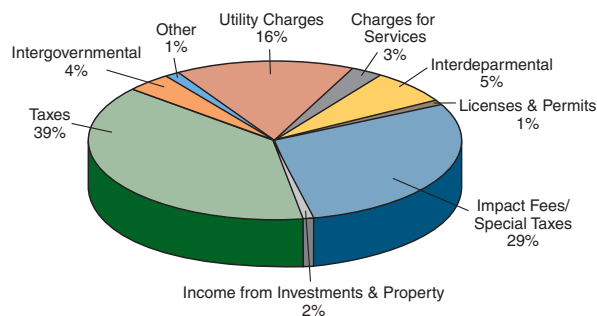
Creating a Sustainable Community Through Fiscal Discipline: Today and Into the Future

Council's Top 15 Priorities

The Carlsbad City Council meets annually to review the City's progress and plan for the next year. This is the first step in the City's process of aligning the mission and vision for Carlsbad and the priorities of the City Council and residents. Listed below are Council's Top 15 Priorities for 2006-2007.

- **Drainage and improvements to the areas that affect Rancho Carlsbad**
- **Communication with residents**
- **Redevelopment standards in the downtown Village area**
- **Implementing a consistent planning vision for Ponto**
- **Expanding Car Country Carlsbad**
- **Developing a planning vision for Westfield Mall**
- **Completion of the Carlsbad Municipal Golf Course**
- **Alga Norte Community Park**
- **Cannon Gateway**
- **Development Process Review**
- **Desalination**
- **Habitat Management and Open Space**
- **Joint Responders Training Facility**
- **Village Area Streetscape Maintenance**
- **Regional Issues**

Where The Money Comes From ...

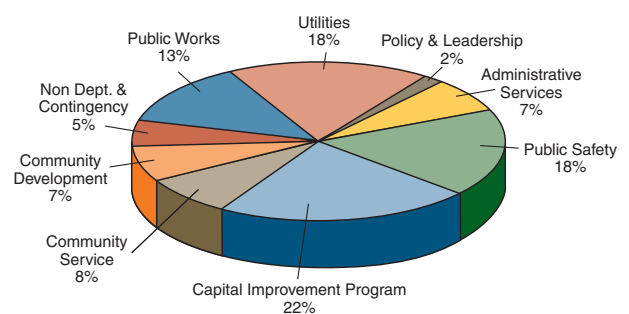


Estimated Revenues \$248.7 million

The City has a mixture of **revenue** sources, listed below are the top three:

- **Impact fees/Special taxes** are funds received from property owners. They can include fees to mitigate the impact of development and for the replacement of infrastructure such as water and sewer lines.
- **Taxes** include the City's share of sales and property taxes, transient occupancy taxes (hotel taxes), franchise taxes, and others. See the back page for a breakdown of how much Carlsbad receives.
- **Utility Charges** are revenues received by the Enterprise funds. Enterprise funds are similar to a business in that rates are charged to support the operations that supply a service such as, water and sanitation services and solid waste management.

Where The Money Goes ...



Adopted Budget \$220.6 million

The **Adopted Budget** is comprised of the Operating Budget and the Capital Improvement Program.

- The **Operating Budget**, which funds the day-to-day operations such as Police, Fire, Library and Recreation activities, accounts for \$171.8 million or 78% of the total adopted budget.
- The City's **Capital Improvement Program (CIP)** makes up the remaining \$48.8 million or 22% of the total. CIP Projects are generally defined as construction (or reconstruction/replacement) of major infrastructure such as streets, libraries, parks, administrative facilities, as well as water and sewer facilities.

City of Carlsbad Finance Department

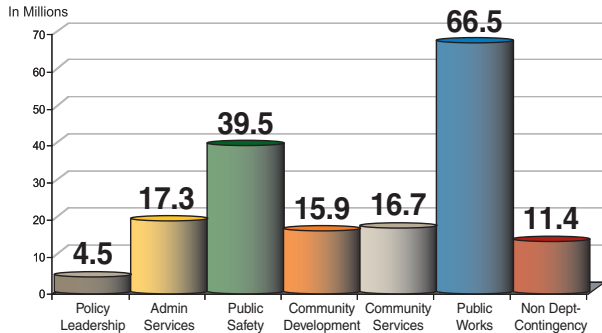
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Operating Budget

The \$171.8 million of the **FY 2006-07 Operating Budget** funds the ongoing operations and services of the City and is categorized by major service area (MSA). The MSAs represent the key businesses of the City.

2006-07 Operating Expenditures



The **Policy and Leadership** group encompasses all elected officials and the chief executive offices for the City. These include the offices of the City Council, City Manager, Communication, City Clerk, City Attorney, and City Treasurer. In the coming year the Communication Department will be adding one full-time employee to coordinate and increase outreach with the citizens of Carlsbad.

Administrative Services includes Finance, Records Management, Human Resources, Purchasing, Health Insurance, Risk Management, Workers' Compensation and Information Technology (IT). In FY 2006-07 IT will be hiring three new staff members and the Finance Department will be converting 1.5 hourly positions to one full-time Accounting Supervisor to maintain systems and improve internal efficiencies.



Public Safety services include all of the Police and Fire programs such as Police Patrol, Vice, Narcotics, Juvenile Diversion and DARE programs, Disaster Preparedness, Fire Prevention and Emergency Operations. This year the Police Department will be hiring two additional Police Officers for

Field Operations and one Police Investigator to maintain the current safety levels. A Fingerprint and Evidence Specialist will be hired to process the current caseload and shorten the turn around time for new cases. Finally, a Communications Operator II will handle the increased call volume and internal communications needs to maintain appropriate citizen service levels.

In the coming year the Fire Department will be putting into service and staffing a new ambulance. Carlsbad will now have three ambulances operating 24 hours a day. To staff the third ambulance the Fire Department will hire six Paramedic Firefighters. The department will also be hiring an EMS Nurse Coordinator in FY 2006-07. The third ambulance, six Paramedic Firefighters and EMS Nurse Coordinator will provide the Fire Department the ability to increase response capability, better maximize resources, improve scheduling efficiencies and, most importantly, continue to maintain the high level of customer service that the citizens of Carlsbad have come to expect.



Community Development provides the services that guide and oversee the planning and development of Carlsbad as depicted in the City's General Plan. The General Plan is the City's "constitution" that expresses

the goals and public policy relative to land use. To improve the efficiency of the Community Development Department, one hourly position will be converted to a full-time Senior Office Specialist. One responsibility of this new position will be to serve as the Planning Commission Minutes Clerk. Also included under Community Development are the housing and redevelopment programs.

Community Services is made up of the Library, Recreation, Cultural Arts and Seniors programs. These programs provide educational and leisure opportunities for all of the citizens of Carlsbad. One new and exciting program being implemented this year in the Library is Radio Frequency Identification (RFID). The RFID project will allow patrons to automatically check out books and materials without having to wait in any lines. The technology will also make the restocking of materials far more efficient and ultimately result in costs savings.



Public Works is responsible for the building and maintenance of all of the City's infrastructure and facilities and for the provision of utility services. It is comprised of the engineering, parks, streets, facilities, fleet, water and sewer departments. The Public Works Street Lighting and Parks Maintenance Departments will be hiring two Maintenance Aids next year to replace two temporary employees. Converting the two full-time positions will help insure that the appropriate training levels are maintained for staff. An Environmental Specialist will be hired in the next year to insure compliance with Federal Water regulations and a Construction Inspector will be added to maximize the effectiveness of streets and facilities contractors.

The **Non-Departmental and Contingency** accounts include programs benefiting the City as a whole, such as community promotions, community contributions and assessment services.

New Capital Improvements

The \$48.8 million of the **2006-07 Capital Improvement Program (CIP)** provides the funds for the construction (or reconstruction) of major infrastructure such as streets, libraries, parks, fire stations and administrative facilities. Some of the notable capital projects in the CIP include the following:

Civic Projects

Preliminary planning for a **Civic Center** has begun. The Civic Center will provide a gathering place for the community as well as consolidating City administrative operations into a centralized location. It also may include a variety of other services and recreational opportunities for citizens and visitors.



Fire Station No. 3 is currently located at the corner of Chestnut and Catalina. As the City grows eastward, relocation of this station is needed to help ensure the five-minute response time. The new station is budgeted as a 6,200-square-foot facility and the cost is projected at \$6.6 million.

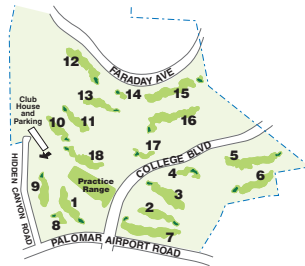
The **Safety Training Center** was authorized under Proposition C in 2002. Preliminary design work is underway. The center is envisioned to be a multi-function training complex for the City's Police and Fire services. A centralized facility will provide a more efficient and effective approach to a wide range of critically important training needs.

The **Public Works Center** will include offices, shops, a yard, warehouse and parking to accommodate the Public Works Department. Initial estimates put the cost at approximately \$26.4 million.

The **Library Learning Center** will provide a permanent location for the Adult Learning and the Centro de Información programs. The existing building adjacent to Holiday Park will be remodeled with approximately 5,000 additional square feet added for an estimated cost of \$6.1 million.

Park Development

The site has been cleared and planting begun on the City's new **18-hole Championship Golf Course**, which is scheduled to open in 2007. The golf course will be located along the north side of Palomar Airport Road at Hidden Valley Road.



The estimated costs for building and startup expenses are \$51.3 million. The project will include a 28,000-square-foot clubhouse and the total course length will be 6,850 yards. Half of the 400-acre Carlsbad Municipal Golf Course will be preserved for the habitat and will help tie together more than 1,000 acres of Open Space in the central part of the City.

The current vision for the **Pine Park Community Center** is to construct a 20,000-square-foot community facility and gymnasium. The facility will include basketball, volleyball, gymnastics, multi-purpose rooms, meeting rooms, a teen center and office space. The total costs of this project are anticipated to be \$9.1 million and construction should begin in 2010-2011.



Poinsettia Park Community Center

will be expanded in the upcoming year with the addition of seven new tennis courts. Phase II of this 42-acre park, scheduled to be completed in 2011-2012, includes amenities such

as a community facility, gymnasium, enclosed soccer field, tot lot, picnic areas, tennis clubhouse, stadium court and additional parking. The cost is expected to be approximately \$14.1 million.

The first floor area of the existing **Senior Center** will be remodeled to include additional amenities for the senior community. These may include items such as an exercise room, art room, TV room, multi-purpose room, game room, health screening room and a computer room. The second floor will be remodeled to house City offices. The total estimated costs for the remodel will be approximately \$1.6 million.



The design of the **Alga Norte Park and Aquatic Center** is currently underway. This is a 30-acre park in the Southeast Quadrant with ball fields, picnic areas, tot lots, a skate park, a dog park, restrooms, parking facilities and an aquatic center. The aquatic center will include a 50-meter competition pool, a 12-lane instructional pool and a therapy pool, as well as a water play area with slides. The total complex is budgeted at \$39.3 million with \$16 million allocated to the park and \$23.3 million for the aquatic center.

The Leo Carrillo Park Phase III

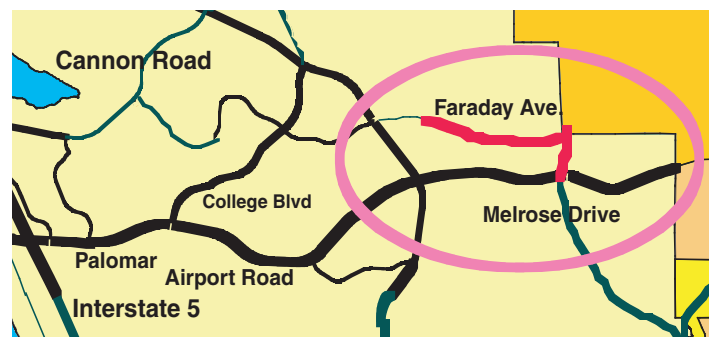
project is part of the original 2,538-acre working rancho, home to the actor Leo Carrillo. It is located in the southwest quadrant, approximately one mile south of Palomar Airport Road. Initial restoration was completed and the park opened to the public in 2003. Future work includes renovation of the barn into a small theatre, restoration of the cantina, equipment shed, blacksmith shop, carriage house and water tank. A botanical garden, picnic areas, and trails will also be added to enhance the visitor's experience at the ranch.



The City Council remains committed to the **Citywide Trails Program** with approximately 21 miles of trails available to the citizens of Carlsbad. In 2006 the **Coastal Rail Trail** opened. The newest portion of the Rail Trail is approximately 0.7 miles long. The Rail Trail will eventually extend the entire length of Carlsbad and be part of a County-wide trail system.

Streets

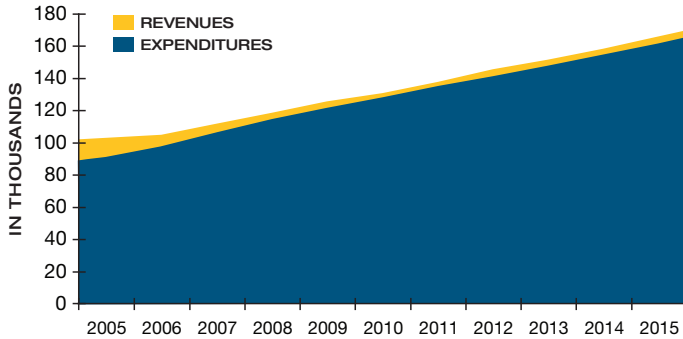
The **Faraday Avenue and Melrose Drive Extensions** will provide long-awaited links between Vista and Carlsbad. Melrose Drive will be extended from the Vista border to Palomar Airport Road and Faraday Avenue will go from the border to link up with the existing Faraday Avenue at El Camino Real. This project is being built by the developers in the area and reimbursed from the proceeds of a bond issue. The anticipated limited opening of Melrose Drive will be in summer 2006.



Looking Forward

10 Year Forecast

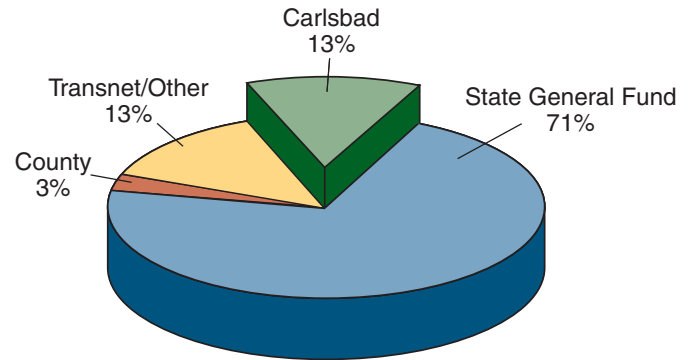
General Fund Revenues over Expenditures



Financial Health is a top priority of the City Council and an important aspect in developing the budget for the City. The City prepares a **Ten-year Forecast** for the General Fund each year in order to understand the impact of actions taken today on the City's future. There are many new City facilities such as parks and civic facilities, that will add operating costs to the City's General Fund budget as they are completed and opened for use. The forecast incorporates the operating costs of these new facilities and helps the City achieve the goal set out by Council to maintain a **balanced budget**. The forecast graph shows that the General Fund is balanced into the future with a slight surplus in each year (less than 5%). For 2006-07 anticipated revenues are forecasted to exceed expenditures by approximately \$5.8 million dollars. Any surplus funds at the end of the year will be added to the City's fund balance to pay for unanticipated expenses or other "one-time" costs.

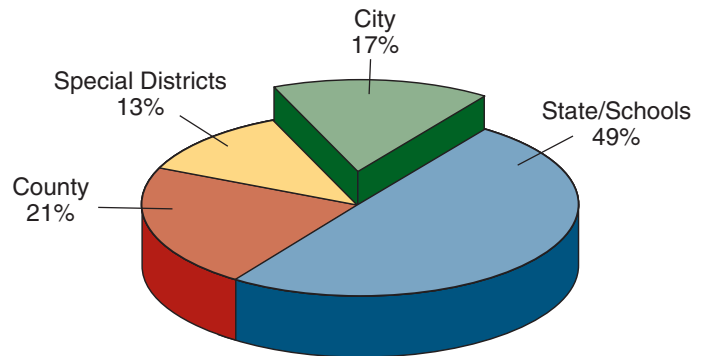
Sales Tax

Does a dollar spent in Carlsbad, stay in Carlsbad?



Property Tax

Where do my property taxes go?



City of Carlsbad 2006-2007 Budget is Available

- Copies of the detailed budgets are available for purchase through the Finance Department.
- Reference copies are available at the Carlsbad Dove and Cole libraries, City Clerk's Office, and the Finance Department.



- Budget is also available for viewing on the City's web site www.carlsbadca.gov/finance
- For information contact the City of Carlsbad, 1635 Faraday Ave., Carlsbad, CA 92008 or call (760) 602-2430.

Key Statistics

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|---|--------------------|
| Date of Incorporation..... | July 16, 1952 |
| Type of City | General Law |
| Form of Government | Council/Manager |
| Area | 42.19 square miles |
| Population | 98,607 |
| Net Assessed Valuation..... | \$17,707,928,440 |
| Miles of Streets | 338 |
| Fire Stations | 6 |
| Firefighters and Officers | 87 |
| Police Stations | 1 |
| Sworn Police Officers | 112 |
| Water Connections | 27,000 |
| Parks | 39 |
| Area of Parks (inc. Open Space)..... | 920 acres |
| Libraries..... | 2 |
| Authorized Full Time City Employees | 682 |